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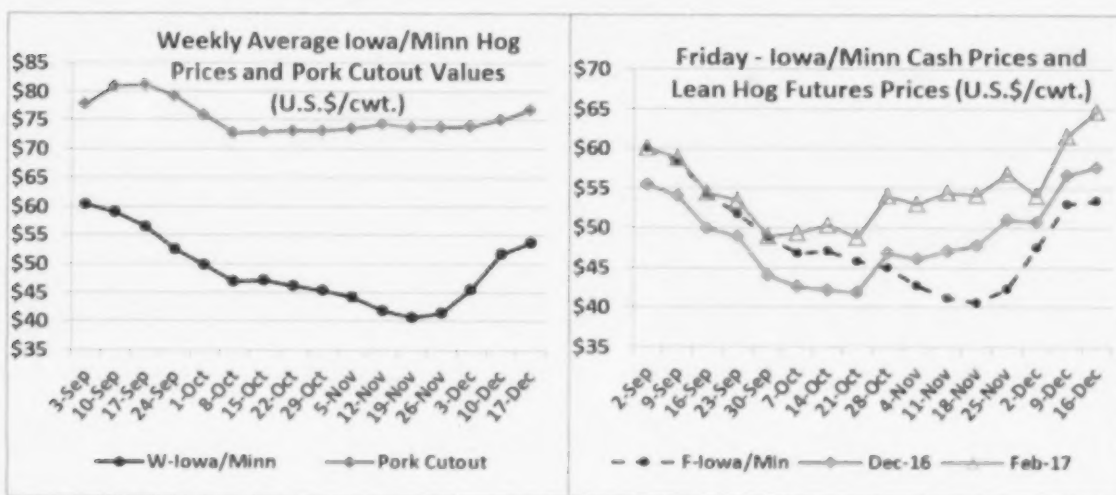
Weekly Hog Report

December 19, 2016

*This is the final edition of the Weekly Hog Report for 2016.
The report will resume on January 9, 2017. Happy Holidays everyone!*

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were overall steady last week. Hog prices on Friday December 16 averaged US\$53.46 per cwt, up US\$0.53 per cwt or 1.0 per cent from US\$52.93 per cwt the previous Friday. The negotiated weekly base price last week averaged US\$53.63 per cwt, up US\$1.90 per cwt or 3.7 per cent from US\$51.73 per cwt the previous week. Prices were higher even though weekly U.S. hog slaughter numbers were estimated at 2.544 million head, a new all-time record high.



Source: LMIC

Source: LMIC, CME

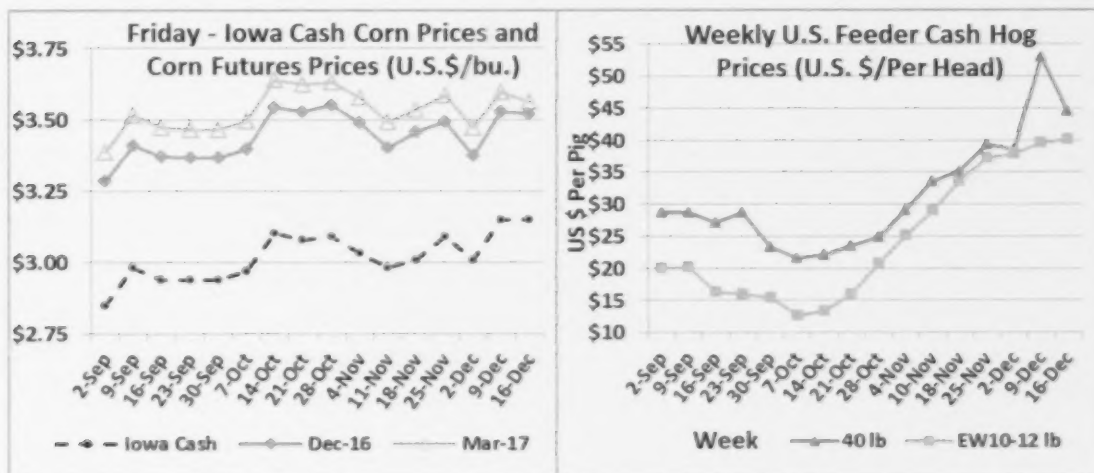
In Canada, the new contract Signature#5 (Maple Leaf) Index 100 daily price for Friday December 16, 2016 was \$136.24 per ckg, up \$5.20 per ckg or 4.0 per cent from \$131.04 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged \$129.01 per ckg, up \$3.90 per ckg or 3.1 per cent from the previous weeks' average price of \$125.11 per ckg. The Canadian dollar was lower last week relative to the U.S. dollar as the United States Federal Reserve increased short-term interest rates. The Canadian dollar settled Friday at 74.94 cents, down 0.93 cents from 75.87 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were primarily higher over the week to end the week higher, week-over-week. The nearby December contract increased US\$0.865 per cwt to expire Friday at US\$57.590 per cwt. The February 2017 lean hog futures contract increased US\$3.150 per cwt or 5.1 per cent last week to settle Friday at US\$64.700 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US\$40.13 per head, up US\$0.61 per head from US\$39.52 per head the previous week. Feeders (40lb) averaged US\$44.47 per head, down US\$8.42 per head from US\$52.89 per head, the previous week. Feeder prices declined last week after the surprising 37 per cent increase the previous week.



Source: LMIC

Source: Iowa Agriculture, CME

U.S. corn prices were mixed last week. Iowa cash corn prices settled last Friday at US\$3.15 per bushel, unchanged from the previous Friday. The December corn futures contract declined almost one cent last week to expire Wednesday at US\$3.51 $\frac{3}{4}$ per bushel, while the March 2017 corn contract declined over three cents per bushel to settle Friday at US\$3.56 $\frac{1}{4}$ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending December 17 were estimated at 2.544 million head, up 4.1 per cent from 2.443 million head the previous week, and up 1.4 per cent from 2.507 million head the same week a year ago. Last week's estimated hog slaughter numbers established a new all-time record high, slightly higher than the slaughter numbers two weeks ago. U.S. weekly hog slaughter numbers over the last four weeks ending December 17 averaged 2.420 million head per week, up 2.2 per cent from 2.369 million head the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending Dec. 10, 2016 were estimated at 429,522 head, down 0.7 per cent from 432,763 head the previous week, but up 1.2 per cent from 424,345 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 443,547 head, up 3.0 per cent from 430,739 head over the same period in 2015. Year-to-date for 2016, hogs slaughtered in Canada totaled 20,159,311 head, up 2.0 per cent from 19,756,142 head the same period in 2015. In Western Canada, hogs slaughtered year-to-date has totaled 8,287,357 head, up 1.25 per cent from 8,185,046 head over the same period in 2015.

(Source: Agriculture and Agri Food Canada/Canadian Food Inspection Agency)

Meat Production

U.S. pork production for the week ending December 17, 2016 was estimated at 537.9 million lb., up 4.2 per cent from 516.3 million lb. the previous week, and up 1.2 per cent from 531.7 million lb. the same week a year ago. Pork production over the last four week's ending December 17 was estimated to average 511.9 million lb., up 1.4 per cent from 504.6 million lb. over the same four week period a year ago.

U.S. beef production for the week ending December 17 was estimated at 505.0 million lb., down 1.9 per cent from 515.0 million lb. the previous week, but up 2.8 per cent from 491.1 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending December 10, 2016, was estimated to average 2.084 billion lb., up 4.3 per cent from 1.998 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up 2.9 per cent compared to the same period in 2015.

United States Weekly Meat Production

(Dec. 10) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	499.4	510.9	2.3%	1.3%
Beef	456.7	506.8	11.0%	5.7%
Chicken	924.2	939.1	1.6%	2.0%
Turkey	117.6	127.0	8.1%	5.0%
Total	1,997.9	2,083.8	4.30%	2.86%

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending December 17, 2016 averaged US\$76.78 per cwt, up US\$1.70 per cwt or 2.3 per cent from US\$75.08 per cwt the previous week, and up 4.4 per cent from US\$73.57 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending December 17, 2016 averaged US\$192.05 per cwt over the week, up US\$2.20 per cwt or 1.2 per cent from US\$189.85 per cwt the previous week, but down 2.3 per cent from US\$196.56 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending December 17, 2016 averaged US\$98.34 per cwt, up US\$0.53 per cwt or 0.5 per cent from US\$97.81 per cwt the previous week, but down 3.2 per cent from US\$101.60 per cwt the same week a year ago.

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